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10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION
12

13 IN RE: HIGH-TECH EMPLOYEE
14 ANTITRUST LITIGATION

15 THIS DOCUMENT RELATES TO:
16 ALL ACTIONS
17
18
19

Master Docket No. 11-CV-2509-LHK

**EXHIBIT 9 TO DECLARATION OF
LIN W. KAHN IN SUPPORT OF
DEFENDANTS' OPPOSITION TO
PLAINTIFFS' SUPPLEMENTAL
MOTION FOR CLASS
CERTIFICATION**

[REDACTED PUBLIC VERSION]

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

IN RE: HIGH-TECH EMPLOYEE)
ANTITRUST LITIGATION)
) No. 11-CV-2509-LHK
THIS DOCUMENT RELATES TO:)
ALL ACTIONS.)
_____)

ATTORNEYS' EYES ONLY
VIDEO DEPOSITION OF ROSEMARY ARRIADA-KEIPER
March 28, 2013

REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR

09:34:43 1 that we're going to need to budget in terms of the focal
09:34:46 2 review process.

09:34:46 3 So after we've gone through our exercise and we
09:34:48 4 see kind of from a market perspective where our ranges
09:34:51 5 are lining up, we'll engage in a conversation with the
09:34:54 6 finance organization to say, you know, this is what we
09:34:56 7 believe we need.

09:34:58 8 They'll come back to us and say, well, this is
09:35:01 9 what we can financially afford to give you, and we end
09:35:04 10 up coming to a compromise. And sometimes we get what we
09:35:07 11 need, and other times they've come back and said, you
09:35:10 12 know what, we can't afford to do that, and this is what
09:35:13 13 we can give you.

09:35:14 14 Q. So when you say that you -- and what you get
09:35:16 15 back from the finance organization is a budget for
09:35:19 16 increasing salaries at the focal review time?

09:35:21 17 A. Exactly. Exactly. So the ranges
09:35:25 18 automatically -- I shouldn't say automatically. We
09:35:27 19 adjust the ranges. So if they've gone up or down, those
09:35:32 20 get adjusted. What the focal does is determine, you
09:35:35 21 know, based on budgets that managers will have, whether
09:35:38 22 individuals -- how much individuals can get adjusted.

09:35:43 23 THE VIDEOGRAPHER: Excuse me. Can you avoid of
09:35:45 24 touching the cable.

09:35:48 25 THE WITNESS: I'm sorry. I do a lot with my

09:35:49 1 hands. I'll try to keep them up here.

09:35:52 2 THE VIDEOGRAPHER: It makes a noise --

09:35:53 3 THE WITNESS: I use my hands a lot.

09:35:57 4 MS. LEEBOVE: Q. And what if you review

09:35:59 5 Adobe salaries against the survey data and find that

09:36:05 6 Adobe -- that the midpoint of Adobe salary ranges is

09:36:10 7 higher?

09:36:10 8 A. We'll adjust them down.

09:36:12 9 Q. Do you adjust salary ranges down?

09:36:13 10 A. Yeah.

09:36:21 11 Q. Is it Adobe's practice not to adjust actual

09:36:23 12 salaries themselves down if the ranges go down?

09:36:28 13 A. Correct. Like an individual's salary? Is that

09:36:31 14 what you are referencing? Yeah.

09:36:33 15 Q. So if the salary range goes down, individual

09:36:36 16 salaries do not go down?

09:36:37 17 A. No. But the position within the range changes,

09:36:39 18 right?

09:36:44 19 Q. I guess everyone would be slightly higher in

09:36:46 20 the range if the salary goes down?

09:36:48 21 A. Exactly.

09:36:49 22 Q. That's about all the math I can do right there.

09:36:51 23 A. That's good. That's really good.

09:36:54 24 Q. And if the ranges go up, do salaries increase?

09:36:57 25 A. No.

09:36:58 1 Q. How do --

09:37:00 2 A. Their position now changes lower into the
09:37:02 3 range.

09:37:14 4 Q. Does Adobe ever bring individuals whose base
09:37:19 5 salaries are lower than the low end of their salary
09:37:22 6 range up to minimum as part of the focal process?

09:37:27 7 A. So, yeah. Each range has a minimum and a
09:37:29 8 maximum. If folks are below the minimum of the range,
09:37:34 9 we will typically red flag them. That, to us, you know,
09:37:38 10 can mean a number of things. It can mean that the
09:37:41 11 market has moved significantly and we haven't been able
09:37:44 12 to keep up from an individual perspective. Sometimes
09:37:47 13 it's a skill gap issue.

09:37:49 14 So, you know, our practice has been is, is we
09:37:51 15 will adjust them to the minimum as part of the annual
09:37:55 16 review, they get red flagged, and then we have a
09:37:58 17 conversation with the manager to say, you know, we have
09:38:02 18 a minimum for a reason because we believe you need to be
09:38:04 19 in this range to be competitive. You know, is there any
09:38:06 20 reasons why you might not want to adjust. And so it
09:38:11 21 becomes manager's discretion in terms of whether they
09:38:13 22 want to do that.

09:38:14 23 And sometimes they have legitimate reasons for
09:38:16 24 why. You know, certainly as you start to get into less
09:38:20 25 mature markets, like outside of the U.S., there is a lot

09:38:23 1 more volatility, so, you know, managers will come to us
09:38:26 2 and say you know what, we don't need to be paying this.
09:38:28 3 We can kind of get them for not this amount. This is
09:38:30 4 not what's driving them. So there is a number of
09:38:33 5 factors, but yeah. It ultimately is manager's
09:38:36 6 discretion.

09:38:38 7 Q. As a compensation analyst, did you ever study
09:38:44 8 whether employees were -- how many employees were being
09:38:47 9 paid below the range for their job?

09:38:50 10 A. It's part of the reporting. So we'll look at
09:38:52 11 how many employees are below the minimum, we'll look at
09:38:55 12 how many are above the maximum, we'll look at how many
09:38:58 13 are targeted, you know, in what percentile. So, yeah,
09:39:00 14 we definitely look at that information.

09:39:06 15 Q. Has that been true for -- if I use the term
09:39:09 16 "class period," do you understand what I would be --
09:39:13 17 what I'm referring to?

09:39:14 18 A. No.

09:39:15 19 Q. So the class period -- and we'll talk about
09:39:19 20 your declaration a little bit later.

09:39:20 21 A. Okay.

09:39:21 22 Q. But when I refer to the class period, I'm
09:39:24 23 talking about the period of time between January 1st,
09:39:27 24 2005 and December 31st, 2009.

09:39:29 25 A. Okay.

09:39:31 1 Q. So do you know whether for the entire -- for
09:39:34 2 the entire class period it's been Adobe's policy to
09:39:41 3 review whether employees are being paid in or out of
09:39:44 4 range?

09:39:45 5 A. So yeah. So it's always been a part of the
09:39:48 6 process to kind of look at where employees are
09:39:50 7 positioned relative to the ranges that we're developing.

09:39:57 8 Q. And has this process of -- and has Adobe
09:40:01 9 participated in surveys for the whole class period?

09:40:04 10 A. As long as I can remember, yeah.

09:40:06 11 Q. And has Adobe engaged in this annual process of
09:40:09 12 comparing its salaries to market on an annual basis --

09:40:12 13 A. Yes.

09:40:12 14 Q. -- throughout the class period?

09:40:13 15 A. Yeah.

09:40:23 16 (Discussion off the record.)

09:40:33 17 MS. LEEBOVE: Q. So we were talking about
09:40:34 18 your job duties as a compensation analyst, and you
09:40:36 19 mentioned surveys, benchmarking, analysis. And was
09:40:41 20 the analysis that we just discussed the analysis
09:40:44 21 that you were talking about when you referred to
09:40:48 22 doing analysis as a compensation analyst?

09:40:50 23 A. That's one of them.

09:40:51 24 Q. What other sorts of analyses did you do as a
09:40:54 25 compensation analyst?

10:46:11 1 Q. Roughly?

10:46:12 2 A. Roughly about 12,000 globally.

10:46:18 3 Q. Do you know how many of the roughly 12,000 jobs
10:46:21 4 globally are in the United States?

10:46:25 5 A. 12,000 employees.

10:46:26 6 Q. Of the -- right. Do you know of the -- of
10:46:30 7 Adobe's roughly 12,000 employees, do you know how many
10:46:33 8 reside in the United States?

10:46:34 9 A. Roughly 6,000.

10:46:40 10 Q. Is it fair to say that throughout the class
10:46:41 11 period, approximately half of Adobe's employees have
10:46:44 12 been located in the U.S.?

10:46:48 13 A. I don't know. Our distribution has shifted
10:46:51 14 over the years, so I don't know that it's always been
10:46:54 15 half.

10:46:55 16 Q. Okay. Do you know how many job categories
10:46:58 17 Adobe has currently?

10:47:03 18 A. No.

10:47:10 19 Q. Do you know whether there have been efforts
10:47:12 20 over time to reduce or streamline Adobe's job
10:47:16 21 categories?

10:47:18 22 A. We have tried to consolidate the number of jobs
10:47:21 23 we utilize, yes.

10:47:26 24 Q. How so?

10:47:28 25 A. So as I mentioned earlier, every job has a

10:47:33 1 discrete salary range, but there is not always a
10:47:37 2 specific match in the market to a particular job. So in
10:47:42 3 the past, we would create things that were called
10:47:46 4 no-match jobs, and it was oftentimes because somebody
10:47:50 5 might have like a hybrid role, right?

10:47:54 6 And so rather than, you know, creating all of
10:47:58 7 these no-matches, we just said you know what, if there
10:48:00 8 is a 70 percent match, just match it into this job. So
10:48:05 9 it was in an effort to kind of reduce the number of
10:48:07 10 jobs.

10:48:19 11 Q. Further down in paragraph 4 of Donna Morris'
10:48:22 12 declaration, and I'm picking up just at the very last
10:48:25 13 line of page 1, she states, "To help guide compensation
10:48:30 14 decisions," now turning to page 2, "Adobe assigned each
10:48:34 15 employee a job code (for example Code 3001079 for Senior
10:48:42 16 Computer Scientist 2 Sw Dev), which has an associated
10:48:49 17 job description, experience and education level."

10:48:52 18 Did I get that right?

10:48:54 19 A. Yep.

10:48:59 20 Q. What is the purpose -- or what purpose is
10:49:02 21 served by helping to guide compensation decisions?

10:49:09 22 A. What purpose is served? Kind of -- can you
10:49:12 23 help me understand your question?

10:49:14 24 Q. Well, why -- why does Adobe want to -- or why
10:49:25 25 has Adobe wanted to help guide compensation decisions as

10:49:33 1 Ms. Morris states in her declaration?

10:49:38 2 A. So what we try to do is provide a range as a
10:49:43 3 guide for employees to understand -- for managers to
10:49:47 4 understand what a market value is for any particular job
10:49:50 5 in the market. And it acts as a data point to help them
10:49:55 6 make an informed decision around what the value of a
10:49:59 7 particular job is, right?

10:50:01 8 Q. Well, in what -- Ms. Morris states, "to help
10:50:13 9 guide compensation decisions." I guess my question is,
10:50:15 10 to help guide compensation decisions in what direction
10:50:20 11 or --

10:50:21 12 A. Probably in any direction. So as a manager we
10:50:24 13 make decisions around new hires, we make decisions
10:50:27 14 around annual review, we make decisions around
10:50:30 15 promotions. And so, you know, a salary range, you know,
10:50:35 16 helps you from the perspective of identifying kind of
10:50:38 17 what the appropriate level of pay could be for a
10:50:42 18 particular job.

10:50:46 19 You know, a job description helps in ensuring
10:50:48 20 that you are kind of looking at the right kind of job
10:50:50 21 and the right, you know, pay information as it relates
10:50:54 22 to your job.

10:50:59 23 Q. So did -- or does Adobe assign each employee a
10:51:04 24 job code -- well, let me back up.

10:51:10 25 Does each job code have a salary range

10:51:13 1 associated with it?

10:51:13 2 A. It does. Correct.

10:51:21 3 Q. And so by assigning each employee a job code

10:51:25 4 and a salary range, is Adobe trying to guide

10:51:28 5 compensation decisions into the salary range?

10:51:35 6 MR. KIERNAN: Objection to form.

10:51:38 7 THE WITNESS: No. You know, I think what you

10:51:39 8 do is you assign a job code to an employee. As managers

10:51:45 9 are potentially looking at hiring somebody in, that

10:51:49 10 range acts as a reference point to help guide them in

10:51:51 11 terms of, you know, what they want to bring a person in.

10:51:54 12 Once they're in the company, that range kind of

10:51:57 13 serves as a mechanism for people to understand kind of

10:52:01 14 the value of a particular job from the perspective of

10:52:04 15 the range -- or the perspective of the market. Where

10:52:06 16 you fall within that range between the min and the

10:52:10 17 maximum is based on, you know, your contributions as an

10:52:14 18 employee. We have a, you know, pay for performance

10:52:17 19 model at Adobe, and so, you know, where individuals are

10:52:21 20 positioned within a range can fluctuate up or down based

10:52:25 21 on their contributions.

10:52:29 22 MS. LEEBOVE: Q. Is the purpose of the

10:52:32 23 salary ranges that are associated with job codes to

10:52:36 24 guide managers to compensate employees within the

10:52:41 25 salary range assigned to their job code?

10:52:44 1 MR. KIERNAN: Object to form.

10:52:49 2 THE WITNESS: So the purpose of the range is
10:52:51 3 really to act as, again, an indicator of what's the
10:52:56 4 value of this particular job. And, you know, we educate
10:53:01 5 around how you might use the breadth of a range when you
10:53:06 6 are thinking about as a manager, how you might want to
10:53:09 7 compensate somebody.

10:53:11 8 So again, based on their contributions, their
10:53:14 9 skill set, whether they're new into a role versus
10:53:20 10 somebody seasoned, you know, they can fluctuate all
10:53:22 11 across that span of that range. So it's an indicator.

10:53:31 12 MS. LEEBOVE: Q. Does Adobe generally
10:53:46 13 believe that employees should be paid within the
10:53:49 14 salary range assigned to their job code?

10:53:53 15 A. It depends, right? They're case by case
10:53:58 16 situations, but generally we have a range for a reason.
10:54:00 17 We believe that in order to be competitive to the
10:54:02 18 market, this is roughly the range that you need to be
10:54:05 19 paying people in. And that kind of, you know, puts a
10:54:08 20 check mark next to competitiveness.

10:54:10 21 However, again, where an individual is placed
10:54:14 22 is dependent on a number of different factors. And so,
10:54:17 23 you know, you will find examples of people that are not
10:54:19 24 within the range.

10:54:24 25 Q. Does Adobe do any studies as to whether

10:54:26 1 employees are being paid in or out of range?

10:54:29 2 A. We do. We not only look at those below, but we
10:54:33 3 look at those above, we look at people where they're
10:54:36 4 positioned within the actual range. So we do look at
10:54:40 5 that information.

10:54:49 6 Q. Is it the compensation analysts who look at
10:54:51 7 that information and make those determinations?

10:54:53 8 A. It is the compensation analyst that does that.

10:55:02 9 Q. Do the salary ranges associated with each job
10:55:06 10 code generally -- well, are they -- do they exist in
10:55:10 11 part to make compensation decisions more expedient?

10:55:15 12 A. I wouldn't say it's an expedient issue. It's
10:55:20 13 more of a, you know, what do we need to be targeting in
10:55:25 14 order to be competitive.

10:55:27 15 Q. What would happen if there were no salary
10:55:32 16 ranges associated with each job code? How would
10:55:35 17 compensation be determined then?

10:55:37 18 MR. KIERNAN: Object to form.

10:55:39 19 THE WITNESS: I don't know.

10:55:48 20 MS. LEEBOVE: Q. Did you say you didn't
10:55:49 21 know?

10:55:49 22 A. Yeah. Don't know.

10:55:53 23 Q. Continuing on with paragraph 4 of Ms. Morris'
10:55:58 24 declaration, the very last phrase in paragraph 4, which
10:56:03 25 appears on page 2 says, "During the class period Adobe

10:56:07 1 used approximately [REDACTED] unique job codes which have
10:56:10 2 changed over time." Do you see that?

10:56:14 3 A. Yeah.

10:56:15 4 Q. Is that true?

10:56:15 5 A. Yeah. Roughly.

10:56:20 6 Q. And how have the job codes changed over time?

10:56:24 7 A. I think we -- you can see fluctuations, right?

10:56:30 8 With the acquisition of new companies, you bring in some

10:56:34 9 new jobs, because sometimes we inherit talent that are

10:56:40 10 in roles that we may not have had previously. We add.

10:56:44 11 So as we expand into different geographies, you've got

10:56:48 12 to create job codes for, you know, roles in those

10:56:50 13 geographies. So we tend to see those numbers fluctuate

10:56:56 14 up or down. Or if we close offices or close a

10:56:59 15 particular geography, then you might see them go away.

10:57:04 16 Q. And has there been an effort within Adobe to

10:57:07 17 reduce the number of job codes Adobe uses for its

10:57:09 18 employees?

10:57:11 19 A. We have tried to consolidate, as I mentioned

10:57:13 20 earlier, with the no-match jobs.

10:57:22 21 Q. Do you know how many unique job codes Adobe

10:57:25 22 currently uses?

10:57:26 23 A. I don't.

10:57:29 24 Q. Do you know whether Adobe has tracked the

10:57:30 25 number of job codes that have been in use throughout the

10:57:33 1 class period?

10:57:34 2 A. No.

10:57:35 3 Q. No, you don't know or no, they haven't tracked?

10:57:37 4 A. No, I don't know.

10:57:49 5 Q. Continuing on to paragraph 5 of Ms. Morris'

10:57:56 6 declaration. Is there anything in paragraph 5 that

10:57:59 7 you -- I want you to take a moment to review it. But if

10:58:04 8 you could let me know if there is anything that you

10:58:05 9 would change about that to better define Adobe's

10:58:11 10 compensation package.

10:58:24 11 A. I believe that's fair.

10:58:30 12 Q. Has it always -- well, throughout your tenure

10:58:37 13 at Adobe, has it been Adobe's policy to compensate

10:58:42 14 employees based on their performance and expected future

10:58:46 15 contribution?

10:58:46 16 A. It has.

10:58:51 17 Q. At any point in your tenure at Adobe, has Adobe

10:58:55 18 sought pay equality or parity among employees with the

10:58:59 19 same job code?

10:59:00 20 A. No.

10:59:08 21 Q. Throughout the class period, has Adobe believed

10:59:10 22 that differentiating compensation based on performance

10:59:15 23 increases employee satisfaction?

10:59:18 24 A. Yeah, I don't know the answer to that.

10:59:28 25 Q. As a compensation specialist at Adobe, do you

10:59:34 1 believe it's important to differentiate compensation
10:59:37 2 based on performance?

10:59:38 3 A. I do.

10:59:39 4 Q. Why?

10:59:39 5 A. I think people, you know, should be paid based
10:59:43 6 on the contributions that they make.

10:59:59 7 Q. How does Apple send a -- or Apple. I'm sorry.
11:00:02 8 Got my -- I'm completely conflating my defendants here.

11:00:07 9 How does Adobe send its employees clear
11:00:12 10 messages that they're not performing and that they have
11:00:15 11 to improve their performance?

11:00:17 12 A. Well, Adobe doesn't really do that. It's more
11:00:21 13 each manager, right? Managers have accountability for
11:00:25 14 the people they manage, and they're responsible for
11:00:27 15 assessing their performance and their contributions.

11:00:32 16 Q. What happens to underperforming employees at
11:00:35 17 Adobe?

11:00:39 18 MR. KIERNAN: Object to form.

11:00:40 19 THE WITNESS: I don't know.

11:00:41 20 MS. LEEBOVE: Q. Well, what happens to
11:00:47 21 underperforming employees at Adobe in terms of their
11:00:50 22 compensation?

11:00:51 23 A. I don't know.

11:00:58 24 Q. Are underperforming employees paid below the
11:01:02 25 minimum of their salary range?

11:01:04 1 A. I don't know.

11:01:15 2 Q. Generally speaking, would an underperforming
11:01:17 3 employee at Adobe still be paid within the salary range
11:01:20 4 associated with his or her job code?

11:01:22 5 A. I don't know. Have to look.

11:01:26 6 Q. Are you aware of any policy at Adobe with
11:01:29 7 regard to paying underperforming employees within the
11:01:32 8 salary range associated with their job code?

11:01:39 9 A. A policy? No.

11:01:48 10 Q. Are you aware of a general practice at Adobe
11:01:51 11 with regard to paying underperforming employees within
11:01:54 12 the salary range associated with their job code?

11:01:56 13 A. I'm not aware of a practice.

11:02:06 14 Q. Is underperformance one reason why an employee
11:02:09 15 might be paid less than the minimum salary associated
11:02:13 16 with their job code?

11:02:18 17 A. I don't know. So as part of the annual review
11:02:24 18 process, if somebody is underperforming, we typically
11:02:29 19 encourage managers to have a conversation around the
11:02:35 20 performance. And ultimately it's their discretion, but
11:02:38 21 it doesn't send an aligned message if you are giving
11:02:41 22 somebody a merit increase when they're not performing.

11:02:44 23 So, you know, from that perspective -- but that
11:02:48 24 really doesn't dictate whether a person is going to end
11:02:51 25 up being below the minimum or not, because they may

11:02:53 1 already be above the minimum of the range when you have
11:02:56 2 that conversation, but we just may not opt to give them
11:02:59 3 an annual increase.

11:03:00 4 Q. Does Adobe have a policy against awarding merit
11:03:03 5 salary increases to employees who are underperforming?

11:03:06 6 A. It's not a policy. As it relates to a lot of
11:03:11 7 this, most of this stuff is not policy, it's framework
11:03:14 8 and guidelines. So I would say that, you know, we give
11:03:16 9 them the framework and guidelines. Ultimately they have
11:03:19 10 to own the decision.

11:03:21 11 Q. Does Adobe maintain a guideline against
11:03:28 12 awarding merit salary increases to employees who are
11:03:31 13 underperformers?

11:03:32 14 A. So yes. You know, as we provide a framework
11:03:36 15 and guidelines, what we will -- what we will typically
11:03:40 16 encourage is that if you've got somebody that's
11:03:42 17 underperforming, you might want to think about not
11:03:44 18 giving them an increase.

11:03:47 19 Q. Is there anything to prevent a manager from
11:03:50 20 increasing an underperforming employee's salary at focal
11:03:54 21 review?

11:03:54 22 A. No. They have discretion to do that.

11:04:08 23 Q. And you just testified, correct me if I'm
11:04:11 24 wrong, that managers have discretion to give merit
11:04:14 25 increases to underperforming employees?

11:04:16 1 A. They do.

11:04:16 2 Q. Do the managers' managers have discretion to
11:04:21 3 undo salary increases to underperforming employees in
11:04:25 4 their review of a managers' salary allocation decisions?

11:04:30 5 A. Yes. They have the discretion to say I
11:04:32 6 disagree with what you are doing. Hopefully they have a
11:04:37 7 conversation about why.

11:04:48 8 Q. When -- well, if and when there arises a
11:04:51 9 disagreement between a direct manager and that managers'
11:04:58 10 manager over salary increases, who wins?

11:05:03 11 A. I don't know the answer to that.

11:05:14 12 Q. So your manager right now is Debbie Streeter?

11:05:17 13 A. Correct.

11:05:18 14 Q. And you have how many reports right now?

11:05:22 15 A. Five.

11:05:24 16 Q. What are their names?

11:05:28 17 A. Richard Hawksworthe, Mandy Lau.

11:05:31 18 Q. Could you spell Hawksworthe.

11:05:32 19 A. H-A-W-K-S-W-O-R-T-H-E.

11:05:41 20 Mandy Lau, L-A-U, and then Swati Rashrinhan.

11:05:51 21 Q. We'll need you to spell that.

11:05:53 22 A. I'll need my spell check. I think it's
11:05:55 23 R-A-S-H-R-I-N-H-A-N -- I'd have to confirm that,
11:06:05 24 though -- Luz Garcia, and Karen Doris-Hampton. Those
11:06:17 25 are my direct reports.

11:19:24 1 A. God, getting into a level of granularity I
11:19:34 2 don't remember. Well, I probably shouldn't because I
11:19:36 3 don't remember.

11:19:37 4 Q. If you don't remember, that's fair.

11:19:40 5 A. Okay.

11:19:41 6 Q. I guess what I'm trying to understand is, if I
11:19:43 7 was either a lazy or completely mathematically
11:19:48 8 challenged manager who couldn't deal with percentages
11:19:50 9 and numbers --

11:19:51 10 A. Yeah.

11:19:51 11 Q. -- is there a way that I could use that salary
11:19:54 12 tool to tell the software how I ranked my employees and
11:19:59 13 have the salary tool tell me by how much I should
11:20:03 14 increase each of their salaries and stay within my
11:20:06 15 budget?

11:20:06 16 A. Yeah. And I don't remember. I'm inclined to
11:20:10 17 say no. And the reason I say that, and I'm just -- you
11:20:13 18 know, I don't remember this, but we typically had a
11:20:16 19 range, right? And so unless you kind of defaulted, you
11:20:23 20 wouldn't know where to pick within the range
11:20:25 21 automatically.

11:20:26 22 Q. So what do you mean, unless I -- unless the
11:20:28 23 manager defaulted?

11:20:31 24 A. Unless we program the tool to default. Not the
11:20:34 25 manager.

11:20:39 1 Q. Do you mean if Adobe programmed the tool to
11:20:42 2 default as a matter of Adobe policy?

11:20:44 3 MR. KIERNAN: Object to form.

11:20:45 4 THE WITNESS: No. Your question to me was, you
11:20:47 5 know, does the software, you know, provide a mechanism
11:20:49 6 for the lazy manager to go ahead and input a ranking and
11:20:53 7 then automatically recommend an increase? And I'm
11:20:55 8 saying unless -- I don't think that would have been the
11:20:58 9 case, I can't remember, because we had a range typically
11:21:03 10 for any performance level. It wasn't like a flat
11:21:05 11 amount.

11:21:06 12 And so unless we programmed to some sort of
11:21:10 13 default within that range, it wouldn't have known what
11:21:13 14 to pick, right? So I guess I'm telling you I don't know
11:21:17 15 because I don't remember what was programmed.

11:21:19 16 MS. LEEBOVE: Q. Okay then, I'll stick
11:21:21 17 with the "I don't know."

11:21:29 18 So I'm turning to paragraph 7, back to
11:21:33 19 paragraph 7 of Donna Morris' declaration. And the first
11:21:38 20 sentence states, "Adobe did not determine compensation
11:21:41 21 for individual employees on a company-wide basis."

11:21:44 22 Did I read that right?

11:21:45 23 A. Yeah.

11:21:46 24 Q. And is that your understanding -- do you
11:21:48 25 believe that to be true?

11:21:50 1 A. I do.

11:21:58 2 Q. And Ms. Morris continues, "Instead, managers
11:22:01 3 determine the compensation for individual employees
11:22:03 4 within a business unit, and were required to
11:22:06 5 differentiate compensation among employees based on
11:22:09 6 performance levels, performance reviews, and the
11:22:12 7 manager's assessment of the employee's expected future
11:22:15 8 contribution to the company."

11:22:17 9 Did I get that right?

11:22:18 10 A. Correct.

11:22:19 11 Q. Do you agree with that as well?

11:22:20 12 A. I do.

11:22:21 13 Q. How did Adobe require managers to differentiate
11:22:25 14 compensation among employees?

11:22:28 15 A. So we, again, provided a guideline and
11:22:32 16 framework. We have a pay for performance philosophy, so
11:22:35 17 our ask of managers was that, you know, they factor in
11:22:41 18 contributions of the employee in their performance when
11:22:43 19 making their decisions. We would provide a guideline
11:22:48 20 that would say, you know, based on this ranking, you
11:22:51 21 might want to think about a increase within this range.

11:22:56 22 And so the guidelines were structured in such a
11:22:59 23 way that they helped encourage differentiation. But
11:23:02 24 ultimately the manager kind of is responsible for making
11:23:04 25 that decision.

11:23:10 1 Q. So would the sentence that we just read of
11:23:14 2 Ms. Morris' declaration where she states that managers
11:23:18 3 were required to differentiate compensation among
11:23:20 4 employees, would it be more accurate to say that
11:23:22 5 managers were encouraged to differentiate compensation
11:23:25 6 among employees?

11:23:26 7 A. Yeah. That would probably be better.

11:23:29 8 Q. Was there an enforcement mechanism for
11:23:31 9 requiring managers to differentiate compensation?

11:23:33 10 A. No.

11:23:42 11 Q. How does Adobe go about differentiating
11:23:45 12 compensation based on performance?

11:23:48 13 MR. KIERNAN: Object to form.

11:23:50 14 THE WITNESS: Again, we put the onus on the
11:23:52 15 manager, you know, through our trainings. And we're
11:23:57 16 pretty transparent with this with our employees too. We
11:24:00 17 constantly talk about the fact that we are a pay for
11:24:02 18 performance company that, you know, we expect that
11:24:07 19 employees that are contributing at a higher level are
11:24:10 20 going to realize higher compensation in general.

11:24:15 21 But it's also very individual, right? And
11:24:19 22 managers kind of make those assessments and judgments on
11:24:22 23 an individualized basis. It can be very different, but
11:24:25 24 from a framework and a guidelines perspective, a lot of
11:24:28 25 the education and the discussions and the information

11:24:29 1 that we share, we kind of keep hounding that notion in,
11:24:32 2 right? Pay for performance, make sure we're
11:24:35 3 differentiating. This is not a "everybody gets paid the
11:24:40 4 same" environment.

11:24:46 5 Q. Do you know when Adobe started using the term
11:24:49 6 "pay for performance" to describe its compensation
11:24:52 7 philosophy?

11:24:53 8 A. Yeah. I'd have -- I don't know exactly when.
11:24:55 9 I'd have to go look at our documents, you know. It's
11:25:00 10 very prevalent in the world of compensation. So I feel
11:25:03 11 like it's been around forever, but I'd have to go back
11:25:10 12 and look at Adobe's documentation to see when we started
11:25:14 13 marketing it that way.

11:25:16 14 Q. Do you know when Adobe started using the term
11:25:18 15 "differentiating" to describe its -- or differentiating
11:25:20 16 based on performance?

11:25:21 17 A. No. I don't remember exactly when.

11:25:33 18 Q. Is it fair to say that Adobe has aspired to pay
11:25:35 19 for performance and differentiate salaries based on
11:25:38 20 performance throughout the class period?

11:25:40 21 A. Yes.

11:25:51 22 MR. KIERNAN: Can we take a short break if you
11:25:52 23 are going into another paragraph?

11:25:54 24 MS. LEEBOVE: Uh-huh.

11:25:55 25 MR. KIERNAN: Just five minutes.

11:25:56 1 MS. LEEBOVE: Yes.

11:25:58 2 THE VIDEOGRAPHER: This is end of video No. 2.

11:25:59 3 The time is 11:26. We're going off the record.

11:26:07 4 (Recess taken.)

11:39:22 5 THE VIDEOGRAPHER: This is the beginning of

11:39:23 6 video No. 3 in the deposition of Rosemary

11:39:29 7 Arriada-Keiper.

11:39:30 8 The time is 11:39 a.m. We're back on the

11:39:33 9 record.

11:39:37 10 MS. LEEBOVE: Q. So Ms. Arriada-Keiper,

11:39:38 11 I'm going to hand you a document that's already been

11:39:41 12 marked as Exhibit 300 to the deposition of Jeff

11:39:45 13 Vijungco.

11:39:53 14 MR. KIERNAN: Let me just -- so this doesn't

11:39:55 15 get --

11:39:58 16 MS. LEEBOVE: Do you need an extra clip?

11:40:00 17 MR. KIERNAN: No. Thanks, Lisa.

11:40:03 18 The court reporter will take this at the end,

11:40:05 19 so I want to make sure.

11:40:12 20 Okay.

11:40:24 21 MS. LEEBOVE: Q. So Ms. Arriada-Keiper, I

11:40:25 22 can tell you my questions are not about the email

11:40:29 23 messages so much as about the attachment --

11:40:31 24 A. Okay.

11:40:31 25 Q. -- which is the U.S. Frequently Asked Questions

12:01:03 1 (Whereupon, Exhibit 2488 was marked for
12:01:03 2 identification.)

12:01:04 3 MS. LEEBOVE: And, Counsel, I've been writing
12:01:05 4 the exhibit number on the documents I've been handing
12:01:08 5 you. I'm not sure if that's something you want me to
12:01:11 6 stop doing.

12:01:12 7 MR. KIERNAN: No, that's great. I usually do
12:01:13 8 it. If you are going to do it, that's wonderful.

12:01:17 9 MS. LEEBOVE: That way I know at least if -- at
12:01:20 10 least we'll be on the wrong page together.

12:01:23 11 MR. KIERNAN: That's right.

12:01:28 12 MS. LEEBOVE: Q. So Ms. Arriada-Keiper,
12:01:29 13 you've been handed a document that's been marked
12:01:32 14 Exhibit 2488. It bears -- the first page bears a
12:01:35 15 Bates stamp ADOBE_100344 and it runs through 100367.
12:01:42 16 And please take the time that you need to review it.

12:03:48 17 A. Wow.

12:03:50 18 Q. Do you recognize Exhibit 2488?

12:03:55 19 A. I do not.

12:03:55 20 Q. Have you ever seen Exhibit 2488 before?

12:03:57 21 A. No.

12:04:02 22 Q. If you turn to page 100347, it's page 4 of the
12:04:07 23 document.

12:04:11 24 A. Yeah.

12:04:16 25 Q. In the sort of second arrow it says,

12:04:19 1 "Inconsistent application of performance criteria," and
12:04:23 2 then there is an arrow pointing toward "Consistent
12:04:27 3 application."

12:04:30 4 Have you ever -- are you aware that managers
12:04:38 5 within Adobe were inconsistently applying performance
12:04:42 6 criteria in reviewing their employees for salary
12:04:47 7 increases?

12:04:48 8 MR. KIERNAN: Object to form.

12:04:53 9 THE WITNESS: I was not.

12:04:57 10 MS. LEEBOVE: Q. Do you know whether Adobe
12:04:58 11 has monitored whether managers are consistently
12:05:01 12 applying performance criteria over the class period?

12:05:04 13 A. I don't know. You know, like I mentioned
12:05:08 14 before, we do look at distributions and differentiation,
12:05:12 15 but I don't know about monitor, per se. It's more
12:05:17 16 reporting back out.

12:05:19 17 Q. Do you know -- well, does this appear to you to
12:05:28 18 be a presentation prepared by Debbie Streeter?

12:05:33 19 A. Has her name on it.

12:05:38 20 Q. Have you ever discussed with Debbie Streeter
12:05:40 21 whether managers have been inconsistently applying
12:05:43 22 performance criteria?

12:05:44 23 A. No.

12:05:48 24 Q. Is there something about -- well, are you aware
12:05:58 25 whether there has been a shift at some point, or whether

12:06:02 1 there was a shift during the class period from
12:06:07 2 inconsistent application of performance criteria to
12:06:10 3 consistent application of performance criteria?

12:06:13 4 A. I don't know if there was a shift, you know.
12:06:16 5 What I would say is during the class period, we did a
12:06:22 6 lot of strong messaging around the importance of pay for
12:06:25 7 performance models and the importance of differentiating
12:06:30 8 and assessing people based on their contributions.

12:06:43 9 Q. What was the purpose of that strong messaging?

12:06:46 10 A. I think to emphasize, you know, to the
12:06:48 11 organization that we are a pay for performance culture.
12:06:53 12 Really wanting to educate employees and managers around
12:06:57 13 that.

12:07:01 14 Q. During the class period, was there already a
12:07:04 15 strong pay for performance culture or was Adobe trying
12:07:09 16 to create a strong pay for performance culture during
12:07:13 17 the class period?

12:07:15 18 A. I don't know the answer to that. When I joined
12:07:17 19 the company as an employee, it was very evident to me
12:07:21 20 that it was a pay for performance model.

12:07:27 21 Q. That was back in --

12:07:29 22 A. '98.

12:07:29 23 Q. -- '98?

12:07:43 24 Were you aware of any discussion within Adobe
12:07:47 25 during the class period about inconsistent application

12:07:50 1 of performance criteria?

12:07:51 2 A. No.

12:08:01 3 Q. Have you ever believed that managers were
12:08:03 4 inconsistently applying performance criteria?

12:08:09 5 A. I believe some managers are better at applying
12:08:13 6 differentiating than others.

12:08:22 7 Q. Does Adobe reward managers that are better than
12:08:26 8 others at applying performance criteria?

12:08:31 9 A. No.

12:08:36 10 Q. What, if anything, does Adobe do to make sure
12:08:39 11 that managers consistently apply performance criteria to
12:08:42 12 employees in making salary decisions?

12:08:46 13 A. We continue to educate and educate and educate.

12:08:48 14 Q. Is there an enforcement mechanism to accompany
12:08:50 15 that education?

12:08:51 16 A. Not really. Because at the end of the day, you
12:08:53 17 know, they have the discretion.

12:09:06 18 Q. Okay. We may come back to this.

12:09:11 19 A. All right.

12:09:12 20 Q. Set it aside, but don't throw it away.

12:09:14 21 A. Okay.

12:09:22 22 MS. LEEBOVE: I'll have this marked next in
12:09:24 23 order, please.

12:09:39 24 (Whereupon, Exhibit 2489 was marked for
12:09:39 25 identification.)

12:15:40 1 constitutes an adequate differentiation based on
12:15:44 2 performance?

12:15:44 3 I know your attorney is going to object to this
12:15:47 4 question.

12:15:50 5 MR. KIERNAN: As soon as I start looking out
12:15:51 6 and gazing out the window.

12:15:56 7 MS. LEEBOVE: Q. But I think your earlier
12:15:59 8 testimony has been that Adobe makes no effort to
12:16:02 9 equalize pay.

12:16:03 10 A. Correct.

12:16:04 11 Q. And so just assuming that every employee is
12:16:14 12 already paid differently, how does -- what does a
12:16:23 13 successful -- what is successful pay differentiation
12:16:27 14 based on performance?

12:16:31 15 MR. KIERNAN: Object to form.

12:16:33 16 THE WITNESS: Yeah. So it's hard to answer
12:16:34 17 that question, right? Because it's so unique and
12:16:38 18 individualized. But, you know, from a compensation
12:16:41 19 practice perspective, you are taking a snapshot in time.
12:16:44 20 And our snapshot generally tends to be the annual focal
12:16:48 21 review, right?

12:16:48 22 So the correlation there is as you start to
12:16:51 23 kind of roll up all this information, what you want to
12:16:54 24 see is that generally an HI is getting, on average, a
12:16:58 25 greater increase than somebody who is a strong, than

12:17:00 1 somebody who is an SC, right?

12:17:08 2 (Reporter clarification.)

12:17:08 3 THE WITNESS: Than somebody who is a solid
12:17:10 4 contributor. An SC. Sorry. We have all of these
12:17:11 5 acronyms.

12:17:13 6 So high impact, strong contributor, solid
12:17:16 7 contributor and a low performer. So on an
12:17:22 8 individualized basis, you may or may not find that
12:17:25 9 people fall into that constraint. But on an aggregate
12:17:28 10 level is what we're really striving for, you want to see
12:17:31 11 that, right? And if you go back and you look at the
12:17:33 12 data, you'll see examples of that.

12:17:37 13 Q. Did Adobe ever target a particular percentage
12:17:40 14 difference in compensation between high performers and
12:17:47 15 strong performers?

12:17:49 16 A. [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

12:18:16 22 Again, managers ultimately have the discretion,
12:18:19 23 but the way we set up the guidelines, they're structured
12:18:22 24 in such a way that the guidelines actually encourage
12:18:25 25 that differentiation.

12:18:30 1 Q. And are there guidelines that recommend, by
12:18:33 2 percentage, particular -- are there guidelines that
12:18:36 3 recommend to managers a particular percentage salary
12:18:39 4 increase based on an employee's performance ranking?

12:18:43 5 A. [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

12:19:33 17 Q. Have there been percentage range guidelines for
12:19:38 18 salary increases according to performance rating
12:19:41 19 throughout the class period?

12:19:43 20 A. Say that again. Sorry.

12:19:45 21 Q. I don't know if I can.

12:19:49 22 [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

12:20:16 1

[REDACTED]

[REDACTED] 2

[REDACTED]

[REDACTED] 3

[REDACTED] Let me back up.

12:20:28 4

[REDACTED]

[REDACTED] 5

[REDACTED]

[REDACTED] 6

[REDACTED]

[REDACTED] 7

[REDACTED] [REDACTED]

[REDACTED] 8

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] 9

[REDACTED]

[REDACTED] 10

[REDACTED]

[REDACTED] 11

[REDACTED]

[REDACTED] 12

[REDACTED].

12:21:09 13

Q. Are you familiar with the term "midpoint

12:21:12 14

compression"?

12:21:13 15

A. I am not familiar with midpoint compression.

12:21:16 16

I'm familiar with midpoint and compression.

12:21:21 17

Q. Well, what is -- are you familiar with use of

12:21:26 18

the term "compression" in compensation speak?

12:21:29 19

A. Yes.

12:21:30 20

Q. And what does the term "compression" mean in

12:21:32 21

compensation language?

12:21:33 22

A. Yeah. So compression essentially means, are

12:21:37 23

you creating kind of an issue -- we typically use it in

12:21:40 24

the context of new hires. So what happens is the

12:21:45 25

external market is moving at a pace that's more

01:31:23 1 A. Not really, because I can't read it very well.

01:31:32 2 Yeah, no.

01:31:37 3 Q. What, if anything, do you understand Delia was
01:31:40 4 referring to when she says that the midpoint compression
01:31:52 5 can -- well, she says, "The midpoint compression is a
01:31:57 6 reality."

01:31:59 7 And then skipping down, "It is not necessarily
01:32:01 8 a bad thing (in the future a role like this can bring
01:32:06 9 more stability to our internal equity), but the
01:32:08 10 implementation now is completely affecting our internal
01:32:11 11 equity."

01:32:12 12 Do you understand what she means by that?

01:32:13 13 A. I don't know exactly what she means by that.

01:32:20 14 Q. What do you understand this to mean?

01:32:25 15 A. So what -- I understand compression, and I know
01:32:29 16 Romania is a market where volatility with the labor
01:32:33 17 market is really high, and the rates move quite a bit.
01:32:37 18 So they are challenged, oftentimes with compression
01:32:40 19 issues as an organization, because there is such a high
01:32:46 20 demand in the market, and the internal pay rates aren't
01:32:50 21 aligning to the market.

01:32:53 22 So I'm guessing it has something to do with
01:32:55 23 that. But I don't really know what she means by
01:32:57 24 simulation of the -- I don't know what she's doing here.

01:33:00 25 Q. Okay. And so what is it -- is it fair to say

01:33:04 1 that Delia, based on her Friday, January 8th message at
01:33:10 2 8:26 p.m., and her earlier message at 12:40 p.m. on that
01:33:17 3 same date, it's -- does it seem fair to say that she
01:33:26 4 believes that the compression issue is -- what -- well,
01:33:32 5 what do you understand her to mean by internal equity?
01:33:34 6 That it's affecting -- compression is affecting Adobe's
01:33:39 7 internal equity or badly affecting internal equity?

01:33:45 8 A. I don't -- I'm not sure what she's referencing
01:33:47 9 here.

01:33:52 10 Q. Have you used the term "internal equity" in
01:33:54 11 your work in compensation?

01:33:56 12 A. Yep.

01:33:57 13 Q. What does internal equity mean?

01:33:58 14 A. So we use internal equity primarily in the
01:34:01 15 capacity of looking at, again, typically new hires. So
01:34:09 16 what we try to do is similar to when I talked about this
01:34:12 17 notion around compression, it's kind of the same
01:34:17 18 concept. When you are bringing somebody in at a higher
01:34:20 19 rate than everybody else in your organization, you want
01:34:22 20 to be cognizant of why you are doing that.

01:34:25 21 There is a number of reasons. Sometimes it's
01:34:25 22 compression, sometimes it's because you've got a star
01:34:27 23 player, you may have a team of individuals that aren't
01:34:30 24 high impact employees. There is a variety of reasons.
01:34:34 25 But as managers kind of consider their decisions, we do

01:34:37 1 ask them to kind of think about the pay of their team
01:34:39 2 members, right?

01:34:41 3 Q. And why, though?

01:34:44 4 A. Because it can, again, from a management
01:34:48 5 perspective, just create some opportunities for
01:34:51 6 discussions with managers because employees talk about
01:34:53 7 their compensation. So if a manager can clearly
01:34:58 8 articulate it, then great, right?

01:35:00 9 But we just want them to be aware that if
01:35:02 10 you've got a high impact employee in your organization,
01:35:05 11 and you are now bringing somebody in from the outside
01:35:07 12 that's not proven themselves, you might have to explain
01:35:10 13 why. And so, you know, you have the right to do that,
01:35:13 14 just make sure that you understand why you are making
01:35:15 15 the decisions that you are making.

01:35:18 16 Q. Does -- is there a fear within Adobe that
01:35:23 17 internal inequity would affect employee morale?

01:35:27 18 MR. KIERNAN: Objection to form.

01:35:30 19 THE WITNESS: Yeah. No. How can I explain
01:35:35 20 internal equity? Internal equity is, again, just
01:35:39 21 another factor that we ask kind of managers to think
01:35:43 22 about as they're making decisions relative to people's
01:35:47 23 salaries. It's, you know, often looked at as kind of a
01:35:51 24 factor that you think about, but it doesn't really
01:35:57 25 dictate anything, it just kind of informs, right?

01:36:01 1 So myself, as an example, if I'm bringing in
01:36:03 2 somebody from the outside and I'm thinking about what's
01:36:06 3 this offer that I want to make to this individual, I
01:36:08 4 will generally look at my team and see where they're
01:36:12 5 positioned, you know, and kind of make a judgment call
01:36:15 6 there. Because I do know that these individuals are
01:36:16 7 going to be working side by side, and, you know, it can
01:36:22 8 potentially have implications for me as a manager if
01:36:26 9 they're performing exactly the same way and they feel
01:36:29 10 like there is not a perceived fairness in terms of their
01:36:32 11 pay, right?

01:36:32 12 MS. LEEBOVE: Q. I'm sorry, did I
01:36:33 13 interrupt you?

01:36:34 14 A. No.

01:36:34 15 Q. So what would the implications be for you as a
01:36:39 16 manager?

01:36:40 17 A. A conversation to have to explain to the
01:36:42 18 individual why I made the decision that I did, right?
01:36:45 19 And there may be reasons for why I do that, and I'm
01:36:48 20 perfectly comfortable with it.

01:36:50 21 And in other instances, I may say you know
01:36:54 22 what? It's not worth it to me. I don't want to create
01:36:56 23 an issue where five people are going to be pissed off
01:36:59 24 because this person, you know, makes more than them and
01:37:01 25 haven't been here to prove themselves. So I have to

01:37:05 1 rationalize that as a manager.

01:37:07 2 Q. So why would you not want to have your
01:37:09 3 employees pissed off?

01:37:10 4 A. Why would I not want to have them pissed off?
01:37:15 5 You know, I generally like a happy environment. People
01:37:18 6 are more productive when they're not angry.

01:37:21 7 Q. And then is there -- could it -- is there a
01:37:23 8 concern that the lack of internal equity might affect
01:37:32 9 employee attrition?

01:37:32 10 A. No.

01:37:40 11 Q. Have you ever had an experience as a manager
01:37:42 12 where you did pay a team member disproportionately
01:37:49 13 compared to other team members and those who were not
01:37:52 14 paid highly complained to you?

01:37:54 15 A. Yeah.

01:37:55 16 Q. And what was the -- what happened?

01:37:58 17 A. So in that particular case, the individual that
01:38:00 18 we were bringing externally had a skill set that the
01:38:03 19 team didn't have. So my conversation with them was an
01:38:06 20 easy one for me as a manager to say, you know what?
01:38:08 21 This has to do with the capabilities of this individual.
01:38:12 22 If you want to be compensated at the same level, you are
01:38:13 23 going to need to go build this capability. You don't
01:38:19 24 have it today. So those are easy.

01:38:23 25 Q. And then is there a way for employees who are

03:14:39 1 So you can potentially have people who have
03:14:45 2 different types of job responsibilities benchmarked into
03:14:48 3 the same job. Does that help? And that oftentimes
03:14:51 4 translates into titles as well, but it's not the title
03:14:53 5 that drives that. It's what is this person doing.

03:15:08 6 MS. LEEBOVE: Q. If we can move on to
03:15:11 7 paragraph 8 --

03:15:12 8 A. Okay.

03:15:12 9 Q. -- of Donna Morris' declaration.

03:15:15 10 A. All right. Eight. All right.

03:15:19 11 Q. If you could just have a look at paragraph 8.

03:15:25 12 And I think you have mentioned you haven't seen the
03:15:29 13 exhibits to the Morris declaration before today?

03:15:31 14 A. I'm glad you brought that up. Because as I was
03:15:33 15 thinking about that -- so I have seen the exhibits. I
03:15:35 16 didn't see it in conjunction at the same time -- it
03:15:39 17 wasn't presented to me in one packet. So I had seen
03:15:44 18 them prior to signing the declaration.

03:15:45 19 Q. Okay.

03:15:49 20 MR. KIERNAN: Does that make sense, Lisa? What
03:15:51 21 she's saying is she didn't see it --

03:15:53 22 THE WITNESS: Like this.

03:15:55 23 MR. KIERNAN: -- like --

03:15:56 24 THE WITNESS: That's what I thought you were
03:15:57 25 meaning. But I had reviewed it in different forms prior

03:15:59 1 to signing the declaration.

03:16:24 2 MS. LEEBOVE: Q. So let me ask you a
03:16:25 3 question. You hadn't seen the whole declaration
03:16:28 4 assembled with the exhibits attached, but you had
03:16:30 5 seen the exhibits before?

03:16:31 6 A. Yes.

03:16:32 7 Q. Had you seen the exhibits knowing that they
03:16:36 8 were -- the document -- had you seen exhibits knowing
03:16:40 9 that they were the documents referred to in the
03:16:42 10 declaration?

03:16:42 11 A. Yes.

03:16:43 12 Q. Okay.

03:16:44 13 A. Yes.

03:16:48 14 Q. Is it your experience at Adobe that Adobe has
03:16:51 15 reinforced its policy of differentiating compensation
03:16:54 16 through training and other practices?

03:16:56 17 A. It is.

03:16:58 18 Q. Has Adobe reinforced its policy of
03:17:02 19 differentiating compensation through training and other
03:17:05 20 practices throughout the class period?

03:17:06 21 A. Yes.

03:17:07 22 Q. How has Adobe reinforced its policy of
03:17:14 23 differentiating compensation?

03:17:18 24 A. I think it's done through a number of vehicles
03:17:20 25 that we've kind of talked about. So if you think about

03:17:22 1 the salary matrices as an example, right? You can see
03:17:25 2 kind of there is an embedded differentiation that
03:17:28 3 happens, they're in the creation of the guidelines,
03:17:30 4 right? We're encouraging people to assess, kind of, and
03:17:32 5 label your folks in terms of performance level. And
03:17:34 6 then we give guidelines that help to guide them in terms
03:17:37 7 of differentiating.

03:17:39 8 I think in all of the communications we do --
03:17:40 9 and that's something that's pretty unique. You know,
03:17:44 10 having worked at Oracle where they never shared anything
03:17:47 11 with the employee population, coming over to Adobe, it's
03:17:50 12 a very transparent environment. We're pretty good
03:17:53 13 about, you know, talking to them about the fact that we
03:17:56 14 do pay for performance. The training materials talk
03:17:58 15 about it.

03:17:59 16 So I think it's just more of a -- we kind of
03:18:02 17 foster an environment that's very candid and open about
03:18:06 18 talking about these things and articulating how we try
03:18:08 19 to do these things. You know, at the end of the day,
03:18:12 20 you know, everything is mitigated by budget and kind of
03:18:17 21 my manager's discretion.

03:18:18 22 But I would be surprised, you know, if you
03:18:21 23 randomly went in and talked to any employee and asked
03:18:24 24 them do you think Adobe is a pay for performance
03:18:26 25 environment. Most people would probably say yeah,

03:18:28 1 because we ingrain it in their head so much through the
03:18:35 2 different communication vehicles.

03:18:38 3 Q. Has the communication of Adobe's policy
03:18:42 4 resulted in the application of the policy to the facts
03:18:47 5 of -- well, is the policy something that's discussed
03:18:53 6 or -- and/or is the policy something that's actually
03:18:57 7 applied?

03:18:58 8 A. So, again, it's less of a policy and more of,
03:19:02 9 you know, guidelines and information that we provide for
03:19:06 10 people to kind of make decisions on. And, you know,
03:19:13 11 through the reporting that we provide back out, when you
03:19:16 12 look at this information on an aggregated level, I think
03:19:20 13 you will find that the data is going to show you, yeah,
03:19:22 14 we do a pretty good differentiating job.

03:19:28 15 Again, on an individual basis, you might see
03:19:28 16 some anomalies, but from a high level perspective, we
03:19:34 17 feel we do a good job of differentiating.

03:19:37 18 Q. If you turn within the exhibits here, I believe
03:19:42 19 it's the last exhibit, if you turn to ADOBE_009303.
03:19:50 20 Probably best find it by flipping from the back.

03:19:59 21 A. Okay. 9303.

03:20:01 22 Q. 009303. Yes. And it has in the very bottom
03:20:06 23 right corner 009303-9.

03:20:09 24 A. Yeah.

03:20:10 25 Q. Okay.

03:20:13 1 A. All right.

03:20:14 2 MR. KIERNAN: Maybe start with the first page.

03:20:18 3 My -- isn't that the first page of this? 009295.

03:20:25 4 MS. LEEBOVE: I'm looking at 009303-9.

03:20:30 5 MR. KIERNAN: Sorry, Lisa, what I meant is

03:20:31 6 maybe show her the first page of that exhibit.

03:20:36 7 MS. LEEBOVE: The truth is, I don't know where

03:20:37 8 the first page of that exhibit is.

03:20:40 9 MR. KIERNAN: If you go back, it will have

03:20:42 10 Exhibit 5. If you just count back to -- has 301, 302,

03:20:50 11 then it goes 301, 300, 299, 298, 297.

03:20:58 12 MS. LEEBOVE: Q. 295. 009295 appears to

03:21:02 13 be the first page of Exhibit 5.

03:21:04 14 A. Yes.

03:21:08 15 Q. Have you seen the HR strategic plan for 2010

03:21:11 16 through 2013 before?

03:21:12 17 A. Yeah.

03:21:13 18 Q. Okay. Was it created by Donna Morris?

03:21:18 19 A. I don't know.

03:21:21 20 Q. Do you know where the strategic plan was

03:21:23 21 presented?

03:21:25 22 A. I've seen it at an all-hands meeting hosted by

03:21:28 23 Donna Morris.

03:21:30 24 Q. And who is the audience for --

03:21:34 25 A. HR.

03:26:44 1 hand you want managers to make the decisions that
03:26:47 2 they're going to make, but on the other hand you
03:26:48 3 want managers to make the decisions that you want
03:26:51 4 them to make? How do you reconcile those two
03:26:54 5 things?

03:26:54 6 A. I think we want them to make informed
03:26:57 7 decisions. We want them to kind of understand, you
03:26:59 8 know, what it is that we're trying to drive. And as
03:27:03 9 long as they have the information, and they're making an
03:27:07 10 informed decision and feel like, you know, they can
03:27:09 11 justify it, then it's okay.

03:27:11 12 And there is many a times you are going to see
03:27:14 13 where managers don't follow our guidelines and don't do
03:27:16 14 what we do. And that's okay, right? We just want them
03:27:19 15 to kind of make the best decision that they can given
03:27:22 16 the information that they have.

03:27:28 17 Q. If you turn to the next page, 009304-10.

03:27:31 18 A. Okay.

03:27:40 19 Q. The header on the page says, "Future State
03:27:44 20 Overview Managing Performance."

03:27:45 21 A. Yeah.

03:27:45 22 Q. And the second bullet down reads, "Shift from
03:27:53 23 loose guidelines to firm standards based on performance,
03:27:56 24 measurement for pay, and equity programs."

03:27:59 25 Did I read that right?

03:28:00 1 A. Uh-huh.

03:28:01 2 Q. What does that mean?

03:28:02 3 A. I don't know.

03:28:06 4 Q. Have you been privy to any discussions within
03:28:10 5 Adobe about shifting from loose guidelines to firm
03:28:13 6 standards based on performance measurement for pay and
03:28:16 7 equity programs?

03:28:17 8 A. No. I mean, you can see that all along we've
03:28:19 9 kind of provided the guidelines. The guidelines haven't
03:28:21 10 really changed. So I'm not sure kind of what the
03:28:25 11 statement there is implying.

03:28:42 12 Q. If you turn to page dash 12.

03:28:48 13 A. Okay.

03:28:55 14 Q. The header is "Total Rewards Strategic
03:28:58 15 Success," and the second bullet reads, "We are shifting
03:29:01 16 our strategy to align to a pay for performance culture."

03:29:07 17 What does that mean to you?

03:29:10 18 A. I don't know. As far as I know, we've been a
03:29:16 19 pay for performance culture since I joined the company,
03:29:18 20 so....

03:29:26 21 Stronger messaging, potentially.

03:29:31 22 Q. So is it your -- so it's your understanding
03:29:33 23 that there always has been a pay for performance
03:29:35 24 culture?

03:29:36 25 A. Uh-huh.

03:29:37 1 Q. And there would be no need to shift the
03:29:40 2 strategy to align to that?

03:29:42 3 A. No. I don't know that our strategy has ever
03:29:46 4 been different. As it relates to pay for performance.
03:29:52 5 The processes and stuff you can always kind of enhance
03:29:55 6 and improve, but, you know.

03:29:59 7 Q. And then the next page, page 13, it says,
03:30:05 8 "Future State Overview Total Rewards Priorities."

03:30:09 9 A. Yeah.

03:30:11 10 Q. And the third one says, "Ensure rewards are
03:30:14 11 differentiated based on exceptional company and
03:30:17 12 individual performance for merit equity and variable
03:30:19 13 compensation."

03:30:21 14 A. Uh-huh.

03:30:22 15 Q. Did I read that right?

03:30:23 16 A. You did.

03:30:24 17 Q. And are you aware of any steps that have been
03:30:26 18 taken to ensure rewards are differentiated based on
03:30:31 19 exceptional company and individual performance?

03:30:33 20 A. So I think we've done all of these things. One
03:30:35 21 thing that you just triggered when you said that, and
03:30:37 22 maybe that's kind of the bullet point here. But let me
03:30:41 23 give you an example; profit sharing. It was a program
03:30:43 24 that we had in place, regardless of your individual
03:30:48 25 contribution as a company. If the company was

03:30:50 1 successful, everybody got paid same amount of money,
03:30:52 2 right?

03:30:54 3 So part of our reasoning and our strategy to
03:30:57 4 get away from that was we wanted to not just have this
03:31:01 5 plan that gave everybody a reward regardless of their
03:31:05 6 individual -- regardless of their individual
03:31:08 7 contribution. Something in -- that's probably what this
03:31:10 8 might be referencing. Just really looking at our
03:31:12 9 programs and ensuring that they kind of support an
03:31:15 10 environment that, you know, pays for performance.

03:31:19 11 Q. Well, what was the reason why Adobe eliminated
03:31:23 12 profit sharing?

03:31:24 13 A. So there was a couple reasons. I think one was
03:31:27 14 we wanted to move in the direction of aligning any
03:31:32 15 programs that we had for our employees so that they were
03:31:34 16 based on performance.

03:31:36 17 There was also, with the profit sharing plan,
03:31:39 18 it was a lot of money that the company had no discretion
03:31:45 19 to be able to determine whether they wanted to pay out.
03:31:48 20 So if there was a particular condition in the market or
03:31:50 21 what have you, you know, we had to pay out. They had no
03:31:52 22 discretion there. And so I believe that that was part
03:31:55 23 of the discussion that went into why we wanted some more
03:31:58 24 flexibility in terms of those funds and how you
03:32:02 25 allocated them.

04:01:45 1 too. They hear the same messaging, right? I think, you
04:01:48 2 know, how we kind of bring that level of visibility to
04:01:52 3 them is just through the tool, they can kind of see it.
04:01:54 4 Through reporting they can kind of see that information.
04:01:58 5 So it's highlighted to them, right?

04:02:01 6 You know, in the tool, as an example, if you
04:02:03 7 are a manager and you go to give an increase to someone
04:02:06 8 that's above the maximum of the range, it will tell you,
04:02:09 9 hey, do you know the person is above the maximum in the
04:02:12 10 range. Still move forward, but it kind of -- you know.

04:02:15 11 Q. It will accept the change but with a warning?

04:02:20 12 A. Yeah.

04:02:26 13 Q. How many times can an employee -- can an
04:02:29 14 employee be a low performer before they're asked to
04:02:32 15 leave the company?

04:02:33 16 MR. KIERNAN: Object to form.

04:02:34 17 THE WITNESS: That, I don't know. I don't know
04:02:36 18 about that.

04:02:39 19 MS. LEEBOVE: Q. Is there a point at which
04:02:41 20 a person who is a -- an employee who is a low
04:02:43 21 performer year after year is asked to leave?

04:02:48 22 A. That's kind of case by case, I'm sure. Our
04:02:51 23 lawyers get involved. I would tell you that me as a
04:02:55 24 manager, it wouldn't take -- I wouldn't want year after
04:02:57 25 year of low performance before I dealt with that issue.

04:02:59 1 But it's going to be situational, right?

04:03:19 2 Q. Do top level executive leadership and senior
04:03:23 3 vice presidents ultimately approve managers' salary
04:03:26 4 decisions with respect to their reports?

04:03:34 5 A. So it's interesting, because I keep seeing the
04:03:37 6 terminology "approval" come up. And what ends up
04:03:41 7 happening is there is not a snap of a button where they
04:03:45 8 have to say, "I approve this change." What in effect
04:03:48 9 happens is my kind of chain of command has visibility
04:03:52 10 into any of the recommendations that I make, right?

04:03:54 11 So as my boss, who is very hands on, she's
04:03:57 12 actively looking at the recommendations that we're
04:03:59 13 making. And if she feels like, hey, Rose, there is one
04:04:05 14 on here that, "Why are you doing that," we'll have a
04:04:07 15 conversation around that, right? And most of the time
04:04:09 16 she'll empower me to kind of move forward and I can kind
04:04:12 17 of make the business case.

04:04:13 18 But some leaders are really good about actively
04:04:15 19 kind of engaging in that process, and others just say
04:04:17 20 you know what? I'm going to trust my managers to do
04:04:19 21 that. So I think it just depends from manager to
04:04:21 22 manager what the level. But it's not like the tool
04:04:24 23 says, okay, Rose, when you make a recommendation, it now
04:04:27 24 gets submitted to your manager who then has to press an
04:04:30 25 approval key so that keeps rolling. It just doesn't

04:04:33 1 work that way, right?

04:04:35 2 So I think, you know, when we talk about
04:04:37 3 approval, I don't know how many are actively engaging to
04:04:41 4 say, "I approve of these recommendations," right? Some
04:04:43 5 probably are, others probably don't ever look.

04:04:48 6 Q. Does this roll-up process actually roll up to
04:04:50 7 this CEO of the company?

04:04:52 8 A. It does. Ultimately the CEO is kind of
04:04:58 9 responsible for, you know, at a company level what
04:05:03 10 budget do we come in, what does the distribution look
04:05:05 11 like. So at any point in time, Shantanu could go look
04:05:10 12 at anybody's record.

04:05:12 13 Q. Has Mr. Narayen ever blocked a salary increase
04:05:16 14 for an individual employee?

04:05:22 15 A. Not that I'm aware of.

04:05:23 16 Q. Or required a salary increase for an employee
04:05:25 17 who wasn't going to receive one?

04:05:27 18 A. Not that I know of. I think Shantanu is
04:05:28 19 probably more focused on his directs more than anybody
04:05:31 20 else.

04:05:44 21 Q. How does Adobe determine bonus and equity
04:05:46 22 grants?

04:05:50 23 A. So Adobe doesn't determine the grants. We --
04:05:56 24 for bonuses or equity, we provide the guidelines. From
04:06:02 25 a bonus perspective, the company's performance dictates

04:06:07 1 whether there is going to be any funding, right? So
04:06:09 2 depending on the company's performance, that will
04:06:12 3 determine how much funding is available, and then
04:06:14 4 managers have to go in and assess the contributions of
04:06:17 5 their employees, similar to a salary process, and
04:06:19 6 determine, you know, how much they want to allocate in
04:06:21 7 terms of the bonus amount.

04:06:25 8 From an equity perspective, it's the same idea.
04:06:29 9 We also give a pool of shares for managers to allocate
04:06:35 10 based on performance. But with equity it's a little bit
04:06:37 11 unique in that we have a pool of shares and those shares
04:06:40 12 have to be approved by our shareholders. And so we have
04:06:45 13 to be very conscientious in terms of the dilution impact
04:06:49 14 to those pool of shares. So I guess that mitigates or
04:06:55 15 determines ultimately how much we're going to have
04:06:56 16 available to give to employees.

04:07:07 17 Q. How is there -- well, how substantial can an
04:07:10 18 employee's equity share -- or how substantial an equity
04:07:15 19 share award can an employee receive -- or what's the
04:07:18 20 maximum equity share award an employee can receive for a
04:07:22 21 given year?

04:07:23 22 MR. KIERNAN: Object to form.

04:07:26 23 THE WITNESS: Yeah. So, there is a difference
04:07:27 24 between shares and value. So we create a pool of shares
04:07:36 25 based on kind of the budget availability, market

04:07:39 1 practice, et cetera, and managers have the discretion to
04:07:44 2 apply those shares. The value can fluctuate, right?
04:07:48 3 Depending on the market price.

04:07:51 4 So I could have given you a hundred shares as
04:07:55 5 part of the annual review, and on the day that I granted
04:07:58 6 them to you, they were valued at \$30, and a year from
04:08:04 7 today they may be valued at \$40. The value has gone up
04:08:08 8 significantly, so....

04:08:11 9 MS. LEEBOVE: Q. Do those shares generally
04:08:13 10 vest immediately or is there a vesting?

04:08:15 11 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:08:44 21 (Reporter interruption.)

04:08:45 22 MS. LEEBOVE: Let's try that again.

04:08:46 23 [REDACTED]

[REDACTED]

[REDACTED]

04:08:55 1

[REDACTED]

04:08:56 2

A. That's correct.

04:08:57 3

Q. -- they received?

04:08:59 4

A. That's correct.

04:08:59 5

Q. Okay. Would you please take a look at

04:09:08 6

paragraphs 22 through 26?

04:09:10 7

A. Yeah.

04:09:15 8

Q. And let me know whether there is anything in

04:09:17 9

those that you disagree with or would change to make

04:09:20 10

them more accurate or truthful from your perspective.

04:11:24 11

A. Okay.

04:11:25 12

Q. Is there anything about paragraphs 22 through

04:11:27 13

26 you would change to make them more accurate?

04:11:32 14

A. Not more accurate. In paragraph 22, the last

04:11:34 15

statement there, just a little confusing, right? It

04:11:37 16

says, "Because managers were required to allocate the

04:11:41 17

salary budget among employees within their own group,

04:11:43 18

increasing one employee's compensation effectively meant

04:11:46 19

paying less to another employee within the group."

04:11:48 20

I'm not quite sure I understand that, right?

04:11:56 21

You have a budget, right? And you can allocate that

04:12:00 22

budget as you see fit. So I think this is kind of

04:12:03 23

implying that you have to take away from somebody. You

04:12:05 24

don't necessarily have to take away from anybody to do

04:12:08 25

that.

04:12:08 1 You may. If you want to go above guidelines,
04:12:10 2 you may be required to take away from somebody else.
04:12:13 3 But if you stay within guidelines, you are not taking
04:12:16 4 away from anybody.

04:12:19 5 Q. I understand. So increasing one employee's
04:12:23 6 compensation may leave less money there to pay another
04:12:26 7 employee, but it wouldn't take money away from anybody?

04:12:29 8 A. Exactly.

04:12:30 9 Q. Okay. Could you read the next section,
04:12:36 10 section C, and let me know if there is anything in there
04:12:38 11 that you would change to make it more truthful or
04:12:41 12 accurate from your perspective.

04:13:05 13 A. How far down? Sorry.

04:13:07 14 Q. Section C. So through paragraph 31.

04:13:09 15 A. Okay. Perfect.

04:14:57 16 Okay.

04:14:58 17 Q. Is there anything you would change in section C
04:15:00 18 of the Morris declaration to make it more truthful or
04:15:03 19 accurate from your perspective?

04:15:04 20 A. No.

04:15:11 21 Q. How are -- how does Adobe determine what to pay
04:15:16 22 new hires?

04:15:18 23 A. Adobe doesn't determine what to pay a new hire.
04:15:22 24 We create a salary range that's indicative of what the
04:15:27 25 market is for a new hire, and the manager has to

04:15:29 1 determine what it is they want to pay.

04:15:31 2 Q. How is that salary range created?

04:15:34 3 A. We create that salary range through the process
04:15:36 4 that I described earlier where we are benchmarking
04:15:41 5 specific jobs to the market, and we either adjust them
04:15:45 6 up or down based on what the market is telling us by
04:15:49 7 targeting that 65th percentile of the market.

04:15:53 8 Q. Do managers target the midpoint of the range
04:15:58 9 for new hires?

04:15:59 10 MR. KIERNAN: Objection. Form.

04:16:01 11 THE WITNESS: Yeah. I don't know what they
04:16:03 12 specifically target. We educate managers that they need
04:16:05 13 to think about a number of things, right? So they need
04:16:09 14 to look at skill level of an individual, the potential
04:16:16 15 expertise that they're bringing to the table, they need
04:16:19 16 to look at kind of what's happening within their overall
04:16:22 17 team, their budget. There is a number of things that
04:16:26 18 managers have to think about when they determine what
04:16:28 19 that amount is going to be.

04:16:51 20 MS. LEEBOVE: Would you please mark this the
04:16:53 21 next in order, Exhibit 2496.

04:17:07 22 (Whereupon, Exhibit 2496 was marked for
04:17:07 23 identification.)

04:17:09 24 MS. LEEBOVE: Q. Ms. Arriada-Keiper,
04:17:10 25 you've been handed Exhibit 2496. It's a -- well, a

04:17:15 1 several-page document that begins on ADOBE_086273
04:17:19 2 and runs through 086276.

04:17:21 3 A. Yes.

04:17:27 4 Q. If you could have a look at it and let me know
04:17:30 5 when you've done so.

04:17:31 6 A. I've seen this.

04:17:32 7 Q. Do you need more time?

04:17:33 8 A. No.

04:17:33 9 Q. Can you tell me what Exhibit 2496 is?

04:17:36 10 A. Yes. It's a template that we use when we need
04:17:38 11 to create a job code and get it entered into SAP.

04:17:45 12 Q. This document says at the top that it was
04:17:47 13 revised in April of '03?

04:17:50 14 A. Okay.

04:17:51 15 Q. And the second page, 086274 says it was revised
04:17:54 16 in April of '02. But have these form -- have these
04:18:01 17 forms been further revised since those dates?

04:18:04 18 A. I don't know. I'd have to go check with the
04:18:06 19 team. I don't do these anymore.

04:18:10 20 Q. Did you used to use these forms?

04:18:12 21 A. Uh-huh. In my days as a comp analyst, I sure
04:18:15 22 did.

04:18:19 23 Q. So can you walk me through how you would fill
04:18:22 24 this out? How would you know what job code to put in
04:18:24 25 that first line?

05:38:10 1 Q. And is this -- when you referred to Donna
05:38:15 2 reviewing your proposed salary allocations and -- well,
05:38:20 3 is this the sort of process that you have her engage in
05:38:23 4 with respect to your reports as well?

05:38:25 5 A. So Donna doesn't typically engage in mine, it's
05:38:29 6 usually Debbie.

05:38:31 7 Q. Oh, I'm sorry.

05:38:32 8 A. No, that's okay.

05:38:33 9 Q. My mistake. I confuse the D names.

05:38:38 10 A. But Debbie doesn't usually get into this level
05:38:42 11 of granularity with me.

05:38:45 12 Q. So are Matt Thompson and Donna Morris peers?

05:38:49 13 A. Yes.

05:38:50 14 Q. So is Matt Thompson free to disregard Donna's
05:38:54 15 proposals or recommendations?

05:38:55 16 A. Yes.

05:38:57 17 Q. Just as any other manager would be free to
05:38:58 18 disregard them?

05:38:59 19 A. Yep.

05:39:00 20 Q. Okay. What do you understand Donna Morris to
05:39:08 21 have been conveying when she said that she had reduced
05:39:12 22 some of the salary adjustments to align with internal
05:39:14 23 equity?

05:39:18 24 A. It's hard for me to speculate what she was
05:39:20 25 thinking. But if I were to interpret this, my guess is

05:39:22 1 she was probably looking at what he had indicated in
05:39:27 2 terms of performance level and contribution, and was
05:39:30 3 just making him aware that maybe there was some
05:39:33 4 inconsistencies in terms of the messaging, right?
05:39:36 5 Because, you know, based on the contributions, these
05:39:39 6 probably weren't aligning to, you know, what you would
05:39:42 7 expect in terms of recommendation.

05:39:45 8 Q. And so would it be a problem, for instance,
05:39:47 9 here for --

05:39:49 10 Is it [REDACTED]?

05:39:53 11 A. Uh-huh.

05:39:53 12 Q. -- to be paid more than a number of Ops Staff
05:39:56 13 employees?

05:39:56 14 MR. KIERNAN: Objection to form.

05:39:59 15 THE WITNESS: I don't know if it would be a
05:40:00 16 problem. But again, one of the things he should be
05:40:04 17 considering about is their contribution level. I don't
05:40:07 18 know what he was contributing at or what his performance
05:40:10 19 was, but she probably had some ideas around that.

05:40:14 20 MS. LEEBOVE: Q. So it looks here that
05:40:15 21 Donna Morris was proposing reducing some salary
05:40:20 22 adjustments based on internal equity. Do you know
05:40:23 23 whether managers ever increase salaries to align
05:40:29 24 with internal equity?

05:40:31 25 A. I don't know what managers do, no. Managers,

05:40:35 1 you know, as we've been saying kind of all along, is
05:40:38 2 that internal equity is a factor that they have to
05:40:40 3 consider. So, you know, depending on the individual
05:40:45 4 scenario and the situation, they may make that decision.

05:40:49 5 We ask them to consider internal equity when
05:40:51 6 they're making their salary decisions. That's what
05:40:55 7 she's doing here. And I don't have the full detail
05:41:00 8 here, so it's kind of hard to surmise. But if I had to,
05:41:06 9 again, speculate here, it probably has something to do
05:41:08 10 with the performance level and not being aligned to the
05:41:11 11 recommendations.

05:41:13 12 MS. LEEBOVE: Okay. Well, I do not have any
05:41:17 13 further questions.

05:41:22 14 THE WITNESS: Yay.

05:41:23 15 MS. LEEBOVE: Do you?

05:41:24 16 MR. KIERNAN: (Nonverbal response.)

05:41:24 17 THE VIDEOGRAPHER: This is the end of video
05:41:26 18 No. 6 and the conclusion of today's proceeding.

05:41:29 19 The time is 5:41 p.m. We're off the record.

05:41:34 20 (The deposition concluded at 5:41 PM)

05:41:34 21

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1 I, Gina V. Carbone, Certified Shorthand
2 Reporter licensed in the State of California, License
3 No. 8249, hereby certify that the deponent was by me
4 first duly sworn and the foregoing testimony was
5 reported by me and was thereafter transcribed with
6 computer-aided transcription; that the foregoing is a
7 full, complete, and true record of said proceedings.

8 I further certify that I am not of counsel or
9 attorney for either of any of the parties in the
10 foregoing proceeding and caption named or in any way
11 interested in the outcome of the cause in said caption.

12 The dismantling, unsealing, or unbinding of
13 the original transcript will render the reporter's
14 certificates null and void.

15 In witness whereof, I have hereunto set my
16 hand this day: April 10, 2013.

17 ___X___ Reading and Signing was requested.

18 _____ Reading and Signing was waived.

19 _____ Reading and signing was not requested.

20

21

22

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GINA V. CARBONE

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CSR 8249, CRR, CCRR

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